



www.tereos.com

Press release

Lille, January 30, 2012

Tereos Europe €500,000,000 6^{3/8}% Senior Notes due 2014

For the twelve months period ending September 30, 2011

The Company will host a conference call to discuss its full year Results on January 31st, 2012, at 4.30 p.m. Paris time (3.30 p.m. London time).

All participants MUST register for this conference using the URL below

<http://emea.directeventreg.com/registration/event/46642822>

Full name and Conference ID will be required.

To attend the call, please use the following instructions:

UK Standard International: +44 (0) 1452 322 439

Conf ID: 46642822

Participants are able to dial in 15 minutes prior to the call start time

A replay of the call will be available until March 1st, 2012 using the following instructions:

International Dial In: +44 (0) 1452 550 000

UK Free Call Dial In: 0800 953 15 33

UK Local Call: 0845 245 5205

USA Free Call Dial In: 1866 247 4222

Conf ID: 46642822#

For more information contact:

François Castets, at +33 155 373 702

Ludovic Verdelet, at +33 328 387 969

FY 2010/11 RESULTS
(audited figures)

REVENUE OF €4,409.1 MILLION, UP 24.9%
ADJUSTED EBITDA OF €752.2 MILLION, UP 26.3%

Key financial and operational highlights:

- **Net Revenue** of €4,409.1 million up 24.9% in FY 2010/11 versus FY 2009/10, due to higher volumes in Brazil and Indian Ocean (as the 2010/11 period includes full year contributions of Mandu and Vertente in Brazil and Groupe Quartier Français in La Réunion) and higher prices in both sugar and ethanol in Brazil and Europe, as well as higher prices in starch and sweeteners,
- Higher volumes in **Sugar Sales** (+5.5%), **Alcohol Sales** (+1.2%) and **Starch Sales** (+0.7%) compared to FY 2009/10,
- **Adjusted EBITDA** rose by 26.3% to €752.2 million, with an Adjusted EBITDA margin of 17.1% for FY 2010/11,
 - **Sugarbeet activity Adjusted EBITDA** up by 14.3% versus FY 2009-10
 - **Sugarcane activity Adjusted EBITDA** up by 62.4% versus FY 2009-10
 - **Cereal activity Adjusted EBITDA** up by 8.3% versus FY 2009-10
- **Improvement of Net Profit** (+50.8% before price complements, +57.5% after price complements),
- **Net Debt (IFRS basis)** from €1,901 million at September 30, 2010 to €2,003 million at September 30, 2011,
- **Net Debt to Adjusted EBITDA down to 2.7x**

FY 2010/11 OVERVIEW

Financial Highlights			
€ Million	2010/11	2009/10	Variation
Net Revenue	4,409.1	3,529.3	+24.9 %
Adjusted EBITDA (before price complements)	752.2	595.6	+26.3 %
Adjusted EBITDA Margin	17.1 %	16.9 %	+18 bps
Net result (before price complements)	302.3	200.5	+50.8 %
Net margin	6.9 %	5.7 %	+118 bps
Net result (after price complements)	236.7	150.3	+57.5 %
Net margin	5.4 %	4.3 %	+111 bps
Net result (Group interest)	179.9	121.3	+48.3 %
Net Debt (without related parties)	2003.3	1900.9	+5.4 %
Sugar sales ('000 t)	3,298	3,478	+5.5%
Alcohol sales ('000 m³)	1,535	1,517	+1.2%
Starch & glucose sales (000 t)	1,341	1,332	+0.7%

Price complements: We pay to our cooperative members price complements based on the amount of raw material supplied to Sugarbeet Division in France and its results achievement. Price complements are proposed by our Executive Board and voted by Tereos Supervisory Board.

Adjusted EBITDA: EBITDA adjusted from the impact of financial instruments and biological assets fair value variation and non recurring items related to discontinued activities.

NET REVENUES

Tereos posted total revenues of €4,409.1 million for the twelve months ended September 30, 2011 compared with €3,529.3 million for the twelve months ended September 30, 2010, which represents a rise of 24.9% (+23.9% at constant exchange rate)

M€	2010/11	2009/10	Variation	%
Sugarbeet Division	1,659.3	1,499.7	159.6	+10.6 %
Western Europe	1,484.7	1,339.4	145.3	+10.8 %
Eastern Europe	174.6	160.3	14.3	+8.9 %
Cereal Division	1,541.0	1,233.4	307.6	+24.9 %
Starch Europe	1,263.6	985.5	278.1	+28.2 %
Ethanol Europe	277.4	247.9	29.5	+11.9 %
Sugarcane Division	1,180.2	790.6	389.6	+49.3 %
Sugar & Ethanol Brazil	918.7	681.5	237.2	+34.8 %
Sugar Indian Ocean	261.5	109.1	152.4	+139.7 %
Other	28.6	5.6	23.0	-
Total	4,409.1	3,529.3	879.8	+24.9 %

Sugarbeet Division: Increase in revenue by 10.6% due to strong increase in both sugar and alcohol selling prices

Sugarbeet activity for the twelve months period ended September 30, 2011 reached €1,659.3 million, compared with €1,499.7 million for the twelve months ended September 30, 2010.

The €159.6 million increase in net revenues is mainly due to:

- Price/product mix impact : +7.8% due to higher selling prices in both sugar and alcohol. Quota Sugar prices increased by 8.9% for FY 2010-11 compared with FY 2009-10, reflecting the unbalanced European market and the lack of supply. Alcohol/Ethanol prices went up by 15.8% on the same period as the European market recovered the former year's situation. In addition, prices for pellets (used in animal feeding) have increased by 26.7%.
- Volume impact: 2.3%, mainly due to higher level of transportation and storage services, partially offset by a slight decrease in sugar and alcohol non quota sales for both our western and eastern Europe activities.
- Exchange rate impact: +0.5% due to the appreciation of the Czech crown compared to euro.

Cereal Division: Revenue +24.9% thanks to higher prices in starch and sweeteners and alcohol/ethanol sales

Cereal based activities' sales for the twelve months period ended September 30, 2011 reached €1,541.0 million, compared with €1,233.4 million for the twelve months ended September 30, 2010.

This increase by 24.9% (€307.6 million) is the cumulative consequence of a 28.2% increase in the starch and sweeteners products and a 11.9% increase in Alcohol/Ethanol sales at the BENP/DVO level.

- Increase in starch and sweeteners sales are mainly driven by a 27.2% positive price/product mix impact, resulting from pass through of cereals and energy price increase to customers, cumulated with a 25.2% increase in co-products sales.
- Increase in Alcohol/Ethanol sales are mainly due to a positive price/product mix impact of 17.1%, partially offset by a negative volume impact on traded ethanol (ethanol sold on behalf of Tereos France) due to arbitration in favour of sugar in our sugarbeet division. Please note that this volume decrease in traded ethanol sales only have a limited EBITDA impact for the cereals division.

Sugarcane Division: Increase in revenue by 49.3% mainly due to increase in sugar and ethanol prices, perimeter impact and positive exchange rate impact

Total sales in the sugarcane division for the twelve months period ended September 30, 2011 were €1,180.2 million, compared with €790.6 million for the twelve months period ended September 30, 2010.

This increase of €389.6 million is mainly due to:

- the full year impact of the acquisition of Groupe Quartier Français in La Réunion island, as well as Vertente and Mandu in Brazil, for €115.0 million and €48.6 million respectively

- a 16.4% positive price/product mix impact in Brazil, driven by high prices on the world sugar market cumulated with a 7% positive volume effect, thanks to higher sales on both export and domestic market for sugar and ethanol.
- a 4% positive exchange rate impact due to the global appreciation of the Brazilian currency compared to euro.
- in Mozambique, revenue increased by 86.4% or €12 million, primarily due to improved sugarcane fields conditions as the result of capital expenditure dedicated to improvement in plantation and irrigation of the fields.

ADJUSTED EBITDA (before price complements)

Adjusted EBITDA reached €752.2 million for the twelve months ended September 30, 2011 compared with €595.6 million for the twelve months ended September 30, 2010, which represents a rise of 26.3% (+25.2% at constant exchange rate)..

M€	2010/11	2009/10	Variation	%
Sugarbeet Division	342.9	300.0	42.9	+14.3 %
Western Europe	293.0	261.1	31.9	+12.2 %
Eastern Europe	49.9	38.9	11.0	+28.5 %
Cereal Division	157.5	145.5	12.0	+8.3 %
Starch Europe	119.8	125.2	-5.4	-4.4 %
Ethanol Europe	37.7	20.2	17.5	+86.6 %
Sugarcane Division	255.3	157.2	98.1	+62.4 %
Sugar & Ethanol Brazil	201.7	136.7	65.0	+47.5 %
Sugar Indian Ocean	53.6	20.5	33.1	+161.4 %
Other	-3.5	-7.0	4.1	-
Total	752.2	595.6	156.6	+26.3 %

Adjusted EBITDA margin stands at 17.1% for the period ended, stable compared 2009/10.

After restating the dilutive impact of price increase in the starch segment, adjusted EBITDA margin is increasing for 100 bps

Sugarbeet Division: Adjusted EBITDA +14.3% due to higher quota sugar sales prices and volumes

The increase in Adjusted EBITDA of €42.9 million is primarily due to improved commercial margins with higher sales prices and volumes on the European industrial market for quota sugar, despite increase in energy price.

Imbalanced market, and European Commission decision regarding requalification of non quota sugar volumes to quota benefited to this price increase strategy, especially on spot markets like Spain and Italy.

Cereal Division: Adjusted EBITDA +8.3% mainly driven by ethanol high prices

The slight decrease in Adjusted EBITDA of €5.2 million in our starch Europe activities is primarily the result of the significant increase in cereals and energy prices that could only be almost fully passed through to customers (strong sales price increase achieved, but with some delay).

In our ethanol Europe activities, positive impact of higher selling prices, in addition to improved operational performance in our distillery of Lillebonne resulted in a €17.5 million increase in adjusted EBITDA

Sugarcane Division: Adjusted EBITDA +62.4% mainly due to increase in sugar price, perimeter impact and positive exchange rate impact

In Brazil, the increase in Adjusted EBITDA of €65.0 million (+€58.9 million at constant exchange rate) is the result of :

- new installed sugar and ethanol capacities - increased sugarcane crushing capacity at the Sao Jose and Cruz Alta plants, inauguration of a distillery in Sao Jose, ramp-up of the Tanabi sugar factory and full year contribution of Vertente and Mandu,
- New installed energy production capacities by cogeneration,
- high sugar prices especially during the first quarter with prices peaking in January (world market).

In Indian Ocean, the increase in Adjusted EBITDA of €15 million is mainly due to the acquisition of Quartier Français in June 2010 (full year effect), cumulated with operational improvements in Mozambique as explained previously.

OPERATING INCOME (before price complements)

Operating Income increased by 55.7%, to €433.9 million for the twelve months ended September 30, 2011, compared with €278.6 million for the twelve months ended September 30, 2010.

This increase in Operating Income of €155.3 million results from an increase in EBITDA (before price complements) of €157 million, the increase in depreciation (notably in Brazil) being compensated by the variation of biological assets and financial instrument fair value and the variation of gain/loss on assets disposals.

NET FINANCIAL EXPENSES

Our net financial expenses decreased by €10.9 million, from a loss of €136.1 million for the twelve months period ended September 30, 2010 to a loss of €125.2 million for the twelve months period ended September 30, 2011.

PRICE COMPLEMENTS

According to the improvement of the result, the company paid for price complements an amount of €65.6 million, compared to €50.2 million for the twelve months period ended September 30, 2010.

CORPORATE INCOME TAX

Our corporate income tax is a loss of €17 million for the twelve months period ended September 30, 2011 compared to a gain of €50.1 million for the twelve months period ended September 30, 2010 resulting from a €70 million tax carried forward losses activation.

NET PROFIT (after price complements)

Net profit after price complements is a gain of €236.7 million for the twelve months period ended September 30, 2011, compared with a gain of €150.3 million for the twelve months period ended September 30, 2010.

NET DEBT

Our net financial debt (excluding related parties) at the end of September, 2011 was €2,003.3 million compared to € 1,900.9 million at the end of September 2010.

The increase by €102.4 million mainly includes:

- Decrease in Tereos France and Czech Republic for €60.8 million and €20.8 million respectively, in line with the results of the sugarbeet activities
- A €20 million increase in Syral, related to the 2010/11 capex,
- A €135.8 million increase in Brazil, mainly due to growth/efficiency capex performed during 2010/11 financial year.

At year end, Tereos' cash position was a positive €221.5 million.

The analysis of the net debt can be summarized as follows:

	Short Term	Medium & Long Term	Total	Adj. Fair Value	Cash	Net Debt	oct-11 sept-12	oct-12 sept-13	oct-13 sept-14	oct-14 sept-15	oct-15 sept-16	+
Overdraft	7.6	-	7.6		-10.0	-2.4	7.6	-	-	-	-	-
Revolving Credit facility	-	-	-		-	-	-	-	-	-	-	-
Term Loan	105.0	100.0	205.0		-	205.0	105.0	30.0	70.0	-	-	-
High Yield Bond	9.9	500.0	509.9		-	509.9	9.9	-	500.0	-	-	-
Debentures Loan	24.2	13.9	38.1		-	38.1	24.2	2.4	2.7	4.6	4.2	-
Others Debt	5.4	9.8	15.2	-6.4	-	8.8	5.4	2.0	1.1	0.1	0.1	-
Total Tereos France	152.1	623.7	775.8	-6.4	-10.0	759.5	152.1	34.4	573.8	4.7	4.3	-
TTD	8.9	1.2	10.1		-2.7	7.4	8.9	1.2	-	-	-	-
Tereos Participations	-	-	-		-	-	-	-	-	-	-	-
Tereos Agro Industrie	-	-	-		-	-	-	-	-	-	-	-
Tereos BENP	1.1	-	1.1		-	1.1	1.1	-	-	-	-	-
Teros DVO	0.3	-	0.3		-	0.3	0.3	-	-	-	-	-
Tereos Syral	165.2	9.6	174.8		-17.0	157.8	165.2	5.1	4.1	0.4	-	-
Syral do Brazil	4.8	1.4	6.2		-0.4	5.8	2.1	2.1	2.0	-	-	-
Tereos Océan Indien	61.5	13.6	75.1		-26.1	49.0	61.5	1.4	1.2	10.0	0.4	0.6
Guarani (Brazil)	145.7	520.2	665.9	40.7	-119.5	587.1	145.7	108.2	175.0	159.7	90.9	27.1
Guarani (Mozambique)	37.7	-	37.7		-7.4	30.3	37.7	-	-	-	-	-
Tereos Internacional	30.9	-	30.9		-0.9	29.9	30.9	-	-	-	-	-
Tereos EU	181.3	213.8	395.1	-3.8	-2.3	389.0	181.3	35.0	35.0	140.0	-	-
Quartier Français Group	4.2	17.1	21.3		-35.2	-13.9	4.2	17.1	-	-	-	-
Total Net Debt	793.7	1 400.6	2 194.3	30.5	-221.5	2 003.3	791.0	204.5	791.1	314.8	95.6	27.8

Note: €791.0 million with a maturity of less than one year, of which €181.0 million are renewable until 2014 (RCF syndicated facility) and €99 million renewable until August 2012 under the factoring programme for Syral.

Syndicated Loan Draw	Usable	Drawn	Undrawn
Term loan – Tereos	130.0	130.0	-
Term loan – Tereos EU	245.0	245.0	-
Revolving credit facility - Tereos	200.0	-	200.0
Revolving credit facility - Tereos Sucres (formerly Commerciale Tereos)	150.0	-	150.0
Revolving credit facility - Tereos Alcools (formerly Brabant)	50.0	-	50.0
Revolving credit facility - Tereos EU	175.0	150.0	25.0
Revolving credit facility – Tereos Internacional	60.0	30.9	29.1
Total	1,010.0	555.9	454.1

At September 30 2011, the €1,010.0 million syndicated credit facilities were drawn for €555.9 million. Therefore €454.1 million remain available under these lines. Additional €437.0 million un-drawn lines were available in our operating subsidiaries.

The unused credit lines cumulated with cash available at year end totalled €1 112.6 million.

CAPEX

For the twelve months ended September 30, 2011, our capital expenditures (excluding financials) were €479.4 million, compared with €318.2 million at the end of September 2010.

On a cash basis (i.e. including working capital needs variation) capex (excluding financials) amounted up to €461 million.

Capex for 2010/11 financial year could be summarized as follow:

M€	Sugar Beet Division	Sugar Cane Division	Cereal Division	Others (Development+ Holdings)	TOTAL
Growth / Efficiency	11,5	129,2	61,2	-	201,9
Renewal	7,0	21,5	7,0	-	35,5
Maintenance (including intercampaign expenses)	52,6	119,5	10,0	-	182,0
Others	7,7	14,5	23,7	14,2	60,0
TOTAL	78,8	284,7	101,8	14,2	479,4

Maintenance capex includes a €89 million amount related to inter-campaign expenses, considered as assets and that will be amortized over the next crop.

LEVERAGE (COVENANTS) & FINANCIAL METRICS

In June, 2010 Tereos finalized the refinancing of its debt related to its European assets.

New Euro denominated syndicated facilities are now held at Tereos France level and at Tereos EU (Grains assets and Sugarcane assets in Europe level for €550 million and €450 million respectively. According to their own syndicated facility, both Tereos France and Tereos EU have to meet covenants requirements (leverage and interest coverage ratio).

Covenants at Tereos France level are tested once a year at the end of September.

Covenants at Tereos EU level are tested once a year at the end of March.

Our financial covenants related to the syndicated credit facility are :

	2009-10	2010-11	2011-12	2012-13
Net Financial Debt / EBITDA				
Tereos France – tested end of September	< 4.00	< 3.50	< 3.25	< 3.00
Tereos EU – tested end of March	-	< 2.90	< 2.75	< 2.50
EBITDA / Net financial interests				
Tereos France – tested end of September	> 3.75	> 3.75	> 3.50	> 3.50
Tereos EU – tested end of March	-	> 4.00	> 4.00	> 4.00

Considering Tereos France test, ratios are as follows:

Tereos France 2010-11	Covenant	Expected Ratios	Headroom
Net Financial Debt / EBITDA	< 3.50x	2.83x	19.1%
EBITDA / Net financial interests	>3.75x	4.73x	26.1%

Hereafter the simplified calculation for 2010-11 (as defined in the related convention) :

Tereos France 2010-11	Ebitda	Net debt	Net financial interests
€ million	273.9	776.4	-57.9

Main financial metrics for Tereos Group

2010-11	
Cash From Operations (before price complements)	761.6
Working Capital variance	-172.0
Funds From Operations (before price complements)	589.6
Dividends	-27.2
Price complements	-65.6
Retained Cash Flow	496.8
Capex (including financials)	-527.3
Acquisition and perimeter impact	-34.2
Financial expenses	-123.1
Capital increase	85.3
Free Cash Flow	-102.5

2010-11	Net Debt/Adjusted EBITDA	FFO/Net Debt	RCF/Net Debt	FCF/Net Debt
Tereos Group	2.52	29.4%	24.8%	-5.1%

CONTACT

For further information, please contact:

François Castets

+33 155 373 702

Ludovic Verdelet

+33 328 387 969

Tereos is an agro-industrial cooperative group with 17,000 employees that processes sugar beet, sugar cane and grains into sugars, alcohols, starch products and energy. We operate 35 industrial facilities in Europe, Brazil and Africa. In 2010, Tereos produced 3.6 million tons of sugar, 1.8 million tons of starch products, 1.7 million of cubic meters of alcohol and ethanol and 655GWh of electricity. With revenues of €3,529.3 million and EBITDA (before price complement) of €574.3 million for the 2010 financial year, we are one of the leading sugar, starch and ethanol producers in Europe and Brazil.

FINANCIAL CALENDAR

Q1 2011-2012 (October – December): Tuesday 14th February 2012

Q2 2011-12 (January – March): Friday 29th June 2012

Q3 2011-12 (April – June): Tuesday 14th August 2012

Annual 2011-2012: Monday 28th January 2013

APPENDICES

Revenue breakdown

The tables below present our revenues broken down into:

- location of production
- business segments

We have provided revenues under these two methods, however, we track our operating expenses only by the first method: location of production. As a result, we use breakdown by production location of manufacture for our products when discussing our results.

Revenues by location of production

	September 30, 2011			
	2011		2010	
	€ million	% Total	€ million	% Total
Sugar & Alcohol in EU	2,172.3	49.3 %	1,842.8	52.2 %
France	1,762.1	40.0 %	1,587.3	45.0 %
Czech Republic	174.6	4.0 %	160.3	4.5 %
Reunion Island	235.6	5.3 %	95.2	2.7 %
Starch Products in EU	1,263.6	28.7%	985.5	27.9 %
Sugar & Alcohol in Brazil	918.7	20.8%	681.5	19.3 %
Other	54.5	1.2 %	19.5	0.6 %
Total	4,409.1	100 %	3,529.3	100 %

EBITDA to Adjusted EBITDA

€ million	EBITDA	Fair-value on biological assets	Fair-value on derivatives	Non-recurring (discontinued activities)	Adjusted EBITDA
Sugarbeet Division	342.3	-	-0.6	-	342.9
Western Europe	292.6	-	-0.4	-	293.0
Eastern Europe	49.7	-	-0.2	-	49.9
Cereal Division	158.3	-	0.8	-	157.5
Starch Europe	120.5	-	0.7	-	119.8
Ethanol & Alcohol Europe	37.8	-	0.1	-	37.7
Sugarcane Division	270.8	18.6	-3.1	-	255.3
Sugar & Ethanol Brazil	207.4	8.8	-3.2	-	201.7
Sugar Indian Ocean	63.4	9.7	0.1	-	53.5
Other	1.9	-	-	5.4	-3.5
Total	773.3	18.6	-2.8	5.4	752.2

Profit & Loss Account

	Actual FY 2010/2011	Actual FY 2009/2010
Continuing operations		
Revenues	4,409.1	3,529.3
Purchases and changes in inventory	- 2,420.0	- 1,894.9
Other external charges	- 748.6	- 654.9
Taxes and other levies	- 70.4	- 59.1
Employee-related expenses	- 456.7	- 402.5
Other operating expenses	34.6	89.3
Fair value on derivatives	11.6	3.1
Amortization	11.5	10.8
Non recurring operations	2.3	- 46.9
EBITDA (EBITDA before price complements)	773.3	574.3
Depreciation and provision	- 339.4	- 295.7
Operating Income (before price complements)	433.9	278.6
Net financial expense	- 125.2	- 136.1
Price complements	- 65.6	- 50.2
Corporate income tax	-17.0	50.1
Income from non consolidated compagnies	8.2	4.4
Net income/(loss) from continuing operations	234.3	146.8
Discontinued operations and assets held for sale		
Net income (loss) from discontinued operations and assets held for sale	2.4	3.5
Net Income	236.7	150.3
Attributable to owners of the parent	180.0	121.3
Minority Interests	56.7	29.0

Note:

- (1) EBITDA is defined as operating income before price complements paid to our cooperative members, before depreciation. Adjusted EBITDA is calculated as EBITDA before impact of fair value on biological assets, fair value on derivatives and non recurring items related to discontinued activities. You should not consider EBITDA or adjusted EBITDA as an alternative to operating profit or net income (as determined in accordance with IFRS), as an indicator of our operating performance, or as an alternative to cash flows from operating activities, investing activities or financing activities (as determined by IFRS), or as a measure of liquidity. We use adjusted EBITDA as a supplemental measure of operating performance, particularly because it is also an internationally recognized measure that is regularly used by securities analysts, rating agencies, investors and other parties to evaluate a company's operating performance. We also believe that adjusted EBITDA is a useful indicator of our ability to service our indebtedness. Adjusted EBITDA is not a measure of performance under IFRS and not all companies calculate adjusted EBITDA or similarly titled financial measures in the same manner. As such, adjusted EBITDA as disclosed by other companies may not be comparable with our use of adjusted EBITDA. Adjusted EBITDA also includes payments that we are required to make to the restructuring fund under the new EU sugar regime.

CONSOLIDATED SALES VOLUMES

	FY 2010-11	FY 2009-10
Sugar - Europe (000 tons)	1906	1990
Sugar - Brazil (000 tons)	1334	1206
Sugar – Rest of the world (000 tons)	294	135
Total sugar	3,534	3,331
Alcohol - Europe (000 cubic meters)	967	1000
Alcohol - Brazil (000 cubic meters)	568	517
Total alcohol	1,535	1,517
Starch sales in Europe (000 tons)	1,341	1,332
Total starch	1,341	1,332

BALANCE SHEET

	Actual September 30 2011	Actual September 30 2010
Goodwill	1,221.8	1,250.6
Intangible assets	147.2	151.9
Biological assets	204.8	177.5
Property, plant and equipment	2,111.5	2,015.1
Non Current Financial assets	160.1	171.2
Deferred tax assets	197.4	172.4
Other non current tax assets	5.4	3.2
Non current Assets	4,048.3	3,941.7
Inventories and work in-progress	698.2	576.6
Trade receivables	538.1	446.7
Other current financial assets	285.0	279.3
Other current assets	152.8	69.7
Tax assets	12.1	14.5
Cash and cash equivalents	221.5	239.5
Current assets	1,907.6	1,626.2
Assets to be sold	211.7	189.0
Total assets	6,167.5	5,756.9
Equity and Liabilities		
- Reserves and retained earnings	804.2	726.0
- Net profit	180.0	121.3
Equity attributable to owners of the parent	984.1	847.2
Minority interests	750.2	770.6
Total Equity	1,734.3	1,617.9
- Cooperative capital	561.7	561.7
Cooperative Capital and Equity	2,296.0	2,179.6
Non current financial debt	1,474.9	1,189.1
Non current provisions	28.2	38.7
Deferred tax liabilities	50.1	42.6
Other non current tax liabilities	-	-
Other non current financial liabilities	220.0	240.5
Other non current liabilities	56.7	49.5
Non current liabilities	1,829.9	1,560.5
Current financial debt	749.9	951.3
Current provisions	3.0	13.6
Other current financial liabilities	439.3	385.8
Trade payables	620.0	462.4
Tax liabilities	12.1	15.8
Other liabilities	56.6	34.2
Current liabilities	1,880.9	1,863.0
Liabilities to be sold	160.6	153.8
Total liabilities	6,167.5	5,756.9

BIOLOGICAL ASSETS

Biological assets were €204.8 million as of September 30, 2011 compared to €177.5 million as of September 30 2010.

Biological assets are fully related to our sugarcane activity. This increase is primarily due to an increase in biological assets for €72.8 million, in addition to a positive fair value impact of €18.6 million, a negative foreign exchange of €6 million and amortization for €58 million.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment were €2,111.5 million as of September 30, 2011 compared to €2,015.1 million as of September 30 2010.

This increase is primarily due to increase in equipment and ongoing investments for €182.4 million and a €76.6 million respectively, in constructions for €34.8 million and a decrease in financial lease reclassification of €4 million, cumulated with amortization for €201.7 million.

INVENTORIES

Inventories were €698.2 as of September 30, 2011 compared to €576.6 as of September 30 2010.

This change is primarily related to a €33.5 million increase in raw materials due to higher grains inventories in our cereal activity, a €64.1 million increase in finish products inventories mainly related to Brazil (price effect), a €17.1 million increase in goods, in addition to a €2 million change in amortization and other impacts.

EQUITY

Cooperative capital and equity were €2,296.0 million as of September 30, 2011 compared to €2,179.6 as of September 30 2010.

This increase is due to the €236.7 million result of the company for the period October 2010 to September 2011, in addition to a €47.2 million scope impact, a €70.6 million negative impact due to foreign exchange losses, a €10.8 million negative impact related to change in fair value, other negative impacts for €45.3 million and dividend distribution for €40.6 million.

NON CURRENT FINANCIAL DEBT

Non Current financial debt was €1 474.9 million as of September 30, 2011 compared to €1 189.1 million as of September 30 2010.

This increase is mainly due to a €289.1 million increase in long term loans.

ACQUISITIONS, DISPOSALS AND PARTNERSHIPS

Our main acquisitions and partnerships during the periods under review include the following:

- Since October 2010, Tereos acquired additional shares of Société Sucrière du Quartier Français (SSQF) and its subsidiaries, bringing its shareholding from 67.1% to 97.8%.
- In October 2010, the company Tereos PureCircle Solution (“TPCS”) has been legally created, held jointly by Tereos and its partner Pure Circle. TPCS is dedicated to develop and market sweetening solutions combining sugar and stevia extracts.
- In October 2010 and March 2011, our partner Petrobras has increased its shareholding in Guarani. At the end of September, 2011, Petrobras’ shareholding in Guarani is to 31.4%.
- In October 2010, Tereos Internacional signed a Memorandum of Understanding with Yihai Kerry Investment Co., Ltd (“YKI”), a subsidiary of Wilmar International Limited, one of Asia’s leading agribusiness Groups, to create a joint venture company to process wheat into gluten and related products in China. YKI will own 51% and Tereos Internacional 49% of the joint venture.
- In September 2011, Tereos Internacional has acquired Halotek Amido and Halotek Industrial in Brazil, creating a new entity named Syral Halotek, dedicated to starch production based on tapioca. Tereos Internacional holds 68% of Syral Halotek.
- In December 2011, Guarani acquired additional shares representing 32% of its subsidiary Andrade Açúcar e Alcool S/A. Guarani is now the sole owner of Andrade.
- In December 2011, Tereos Syral has acquired 75% of the potato based starch plant Féculerie d’Haussimont. This acquisition allows a stronger diversification in our starch portfolio.

MANAGEMENT

Overview

Tereos' governing bodies are its executive board (*directoire*) and supervisory board (*conseil de surveillance*). The powers of these bodies are governed by the French *Code rural*, Tereos' articles of association and the rules of procedure of the executive board and the supervisory board. The French *Code rural* requires Tereos to have a two-tier management and control system consisting of an executive board and supervisory board. The two boards work independently of one another, and no person may serve as a member of both boards at the same time.

In accordance with the French *Code rural* and Tereos' articles of association, the executive board is responsible for our ongoing management. The executive board possesses significant authority, which it exercises within the scope of our corporate purposes. Certain of its activities require the preliminary approval of the supervisory board. The executive board presents reports, inventory, and financial statements for approval by, and convenes the general meeting of, the cooperative members.

The supervisory board has two primary duties, a permanent control function in relation to the executive board and the approval of certain acts by it. The supervisory board is also responsible for the appointment and revocation of members of the executive board and any issues related to membership, withdrawal, exclusion of members, transfers and reimbursement of membership interests.

Executive board

The executive board consists of three to five members, under 70 years old, appointed for a four-year term, who must be chosen from outside of the co-operative membership. The members of the executive board can be re-elected. The members of the executive board are appointed by the supervisory board, but may not be included in its membership. One cannot be a member of the executive board of more than two agricultural cooperative companies or associations having their registered office in France. Any appointment of a member of the executive board to the executive board of another co-operative company or association requires the prior approval of the supervisory board.

Any member of the executive board can be terminated by a decision of the supervisory board. If the termination is made without cause, the terminated member of the executive board can claim damages.

The executive board is convened by its chairman or any of its members, as often as the cooperative's interest requires. The decisions of the executive board require the presence, in person, with no representation by proxy allowed, of at least half of its members. The decisions submitted to the executive board are approved by a simple majority of the attending members.

The executive board is vested with all powers to act on behalf of Tereos in compliance with its purpose and subject to the powers reserved to general meetings of the shareholders and those allotted to the supervisory board.

The following decisions cannot be taken or implemented by the executive board without the prior approval of the supervisory board:

- any pledge, guarantee or surety entered into on behalf of Tereos in excess of €160,000;
- any loan facility entered into on behalf of Tereos in excess of €160,000;
- any long-term agreement involving Tereos in commercial, industrial and financial alliances;
- any investment in excess of €160,000;
- any acquisition or disposal of any participation in excess of €160,000; or
- the decision to change the registered office address.

At least once each quarter, the executive board issues a report to be delivered to the supervisory board.

Within three months of the close of each financial year, the executive board must deliver to the supervisory board the inventory and the annual financial statements for verification and approval. The table below lists the names of the members of the executive board as of the date of this offering memorandum and includes their ages and principle areas of responsibility. The term of all members expires after the General Meeting approving financial statements as at 2011, September 30.

Name	Age	Area of responsibility/activity
Philippe Duval	67	Chairman and Chief Executive Officer
Etienne Van Dyck	52	General Secretary, General Manager
Alexis Duval	34	Chief Financial Officer, International Director
Yves Belegaud	52	Director of Tereos France
Pierre-Christophe Duprat	48	CEO of the Cereal transformation activities

The following is a brief description of the present and past business experience of each of the members of our executive board:

Philippe Duval, Chairman and CEO

A graduate of *HEC*, the French business school, Philippe Duval has been active in the sugar industry for his entire career. He succeeded his father, himself CEO of one of the cooperative members of what is today Tereos (formerly Union SDA). Since 1984, he has directed the establishment and development of the Union SDA cooperative, and overseen Tereos' growth inside and outside France.

Etienne Van Dyck, General Secretary, General Manager

Graduate in Corporate Law, Finance and Fiscal System, Etienne Van Dyck began his career in the French Retail Industry company Carrefour, up to the position of Secretary General. After three years as Project Director in Veolia Environnement from 2006 to 2009, he joined the Tereos Group as Secretary General and General Manager.

Alexis Duval, Chief Financial Officer, International Director

Alexis Duval graduated in business administration from *Hautes Etudes Commerciales* (HEC) in France and is the son of Philippe Duval. He has been working for the Tereos Group since 2002. In 2007, Alexis Duval was appointed as International Officer of Tereos and in 2009 he was appointed Chief Financial Officer of the Group. Alexis Duval is also the CEO of Tereos Internacional, and Chairman of the supervisory board of Guarani in Brazil.

Yves Belegaud, Director of the French activities

Yves Belegaud began his career as an engineer in different branches of Peugeot and Renault. He joined the Restructuring and Human Resources Department of the Union SDA cooperative in 1994. Since 1999, he has managed the agricultural department, with particular responsibility for the group's beet supply. He was appointed member of the executive board of Tereos in July 2004.

Pierre-Christophe Duprat, CEO of the Cereal transformation activities

A graduate of Ecole Centrale, Pierre-Christophe Duprat began his career at Schlumberger. He joined the Tereos Group in 1992 and held different positions as plant manager in the sugar division. Since 2002, he has been Managing Director of Syral and, in October 2007, CEO of the new entity including the starch plants recently acquired from Tate and Lyle as well as the Tereos wheat-based ethanol plants.

Supervisory board

The supervisory board consists of at least two members, under 70 years of age, chosen from among the cooperative members by the general shareholders' meeting and appointed for a term of four years. The members of the supervisory board can be re-elected. A physical person cannot be a member of more than eight supervisory boards of co-operative companies or associations having their registered office in France. No member of the supervisory board can be a member of the executive board at the same time. Each member of the supervisory board must hold at least one share of Tereos.

The supervisory board is convened by its chairman or its vice-chairman as often as Tereos' interest requires and at least once every quarter to hear the report of the executive board. The chairman of the supervisory board is required to convene the board within the 15 days following a justified request of a member of the executive board or at least one-third of the members of the supervisory board requesting the board to be convened. If the request remains unsatisfied, the interested members can convene the board themselves by providing the agenda of the meeting.

Except for the exclusion of a co-operative partner, the decisions submitted to the supervisory board require the presence of at least half of its members and the approval of the majority of the attending or represented members. The chairman is entitled to a deciding vote. The exclusion of a co-operative partner requires the presence of at least two-thirds of the members of the supervisory board and the approval of a two-thirds majority vote.

In addition to its specified powers, the supervisory board may, at any time, carry out such verifications and controls as it considers appropriate and may examine any document it considers to be useful to fulfill its mission.

Once each quarter, it receives the report of the executive board. At the close of each financial year, it verifies and approves the inventory and the annual financial statements delivered to it by the executive board. These documents, as well as the report of the executive board and the report issued by the supervisory board, are made available by the supervisory board to the statutory auditors, at least a month before the general meeting is convened. The report of the supervisory board comments on the report issued by the executive board and on the annual financial statements.

The supervisory board can give to one or various of its members special mandates in order to fulfill one or more specific tasks. The supervisory board can decide to create committees, whose composition and authority it determines and whose activities are conducted under its responsibility. However, the supervisory board cannot delegate to a committee its own powers nor it can limit or reduce the powers of the executive board. There are currently no committees of the supervisory board.

The supervisory board has two members, Mr. Thierry Lecomte and Mr. Denis Lecart, who represent, respectively, Union SE and Union BS, the two cooperatives that directly own Tereos. Messrs Lecomte and Lecart have named 17 other representatives (*mandataires*), who attend supervisory board meetings. The table below lists the names of the members of the supervisory board and the other representatives as of this date and companies in which the members held seats on an administrative, management or supervisory body or were partners during the last five years.

Name	Other positions
Thierry Lecomte	President of the SDA cooperative Chairman of the supervisory board of Tereos
Denis Lecart	President of the Marne et Aube cooperative Vice Chairman of the supervisory board of Tereos
Gérard Clay	President of the SDHF cooperative
Yves Chenu	President of the Artenay cooperative
Bertrand Magnien	President of the SBP cooperative
Marc Turpin	President of the Boiry cooperative
Xavier Laude	President of the Escaudœuvres cooperative
Didier Beauvais	Director of the SDA cooperative
Gilles Bollé	President of the Chevières cooperative
Christophe Dedours	President of the Marconnelle cooperative
Jacques Rousseau	President of the Région de Meaux cooperative
François Ringo	Vice President of the SDHF cooperative
Dominique Trépant	Director of the SDA cooperative
Philippe Descamps	President of the Abbeville cooperative
François Leroux	Director of the SDA cooperative
Jean-Charles Lefebvre	Director of the SDA cooperative
Gérard Grondel	President of the Pont-d'Ardres cooperative
Guillaume Perdereau	Director of the Artenay cooperative

The following is a brief description of the present and past business experience of Messrs. Lecomte and Lecart:

Thierry Lecomte, Chairman of the supervisory board

Mr. Lecomte is Chairman of the supervisory board of Tereos (formerly Union SDA). A sugar beet and cereal grower in Pont-à-Bucy (Aisne), he is also on the Board of the CGB and of the Sugar Beet Union in Aisne.

Denis Lecart, Vice Chairman of the supervisory board

Mr. Lecart is Vice Chairman of the supervisory board of Tereos (formerly Union SDA). He was previously the chairman of the supervisory board of Tereos SA (Béghin-Say) from 2003 until its merger with Tereos in October 2004. A sugar beet grower, he is chairman of the Beets Sales Cooperative of Marne and Aube and the Union BS. He is a director of the CGB, a director and bureau member of the Sugar Beet Union of the Northeast and a director of a local branch fund of the *Crédit Agricole du Nord-Est*.

Overview

Tereos is a union of agricultural cooperatives (*union de cooperatives agricoles*). In France, cooperatives are key components of the agricultural system, as overall approximately 80% of French farms, and 60% of French sugar beet farms, currently maintain membership in an agricultural cooperative. Tereos is the largest French cooperative union in the sugar market.

Legal structure of cooperative unions in France

The cooperative sector is supervised by French national authorities (the Ministries of Agriculture and Finance).

Establishment of a cooperative union and access to membership

Cooperative unions are created by the relevant French ministry upon request by the legal or physical persons who seek to combine their activities under this legal structure. In the agricultural sector, the Ministry of Agriculture verifies that the objectives of the proposed cooperative union are strictly limited to the common use by farmers of all means designed to simplify or develop their economic activity and improve the results of such activity (i.e., providing products and services required for their farming business to their members and gathering, stocking, transforming, conditioning and selling products made by their members).

Pursuant to the French *Code rural*, the members of a cooperative union must be either cooperative partners (*associés coopérateurs*)—as in the case of Tereos—or, if the articles of association permit it, non-cooperative partners. Cooperative partners undertake to use the services provided by the cooperative during a certain period, while non-cooperative partners may participate in the activity of the cooperative, but not in the share capital.

During the existence of a cooperative union, entities may be admitted as new partners. A request to join the cooperative union must be approved by a majority of the current partners or as otherwise determined by the cooperative's articles of association.

A legal person must contribute a portion or all of its assets and liabilities to the cooperative union in order to accede to membership in a cooperative. The equity value of this contribution determines the amount of share capital attributed to each partner. In addition to the equity contribution from the partners of the cooperative union, certain cooperative unions may benefit from subsidies, advances and loans from state entities.

Voting rights

The traditional articles of association of cooperative unions provide for the principle of one vote per cooperative member in general meetings. However, in order to take into account differing contributions to the union, a "weighted voting" system may be implemented. This system is based on the grant of additional votes to cooperative partners in accordance with the volume of their activities within the union. However, a partner may not hold more than 5% of the voting rights actually exercised at the general meeting.

Termination of membership

A cooperative partner may request termination of its membership at any time. The supervisory board of the cooperative union may approve or deny this request. If the request is denied, the partner may require that a general meeting of the partners be convened to reconsider its request. If the partner's request for termination is approved by the board or the general meeting of the partners, the activities of the member are immediately removed from the cooperative union and the amount of its equity contribution deducted from its share capital. The cooperative union generally repays the amount of such equity contribution to the former member in cash or other liquid assets. Fixed assets initially contributed by the former partner are retained by the cooperative union.

Benefits accorded to the cooperative union structure

Pursuant to French law, the cooperative union structure benefits in certain respects from favorable treatment as compared to other corporate forms. In particular, a cooperative is exempt from paying corporate income tax, except for transactions carried out with third parties. Moreover, a cooperative is assessed the *taxe professionnelle* (French trading tax) on the basis of only 50% of its revenues, as opposed to 100% for other corporate forms.

Payments to partners

Agricultural cooperative members are paid a fixed price for crops provided at the time of harvest. Thereafter, dependent on the profit recognized by the cooperative union and other factors, the members may receive an additional payment or "price complement" (*complément de prix*) for each year in proportion to the amount of crops provided at harvest. If the cooperative carries on subsidiary businesses outside of the primary activity of the cooperative, earnings from these activities may be distributed to members in the form of dividends, in proportion to the amount of share capital held. Members themselves pay taxes on this income.

Tereos Group structure

Tereos is composed of two agricultural cooperative unions, Union BS and Union Sucre Ethanol. Within these entities, 12,000 farmers have combined their efforts and are grouped into the following 13 cooperatives:

- SDA (Sucrieries et Distilleries de l'Aisne);
- CBP (Coopérative Betteravière d'Artenay);
- SBP (Société Betteravière de Picardie);
- Société Coopérative Agricole de Vente de Betteraves de la Marne et de l'Aube;
- Société Coopérative Agricole Betteravière de Boiry Sainte Rictrude;
- Société Coopérative Agricole Betteravière de Chevrères;
- Société Coopérative Agricole Betteravière d'Escaudoevres;
- Société Coopérative Agricole Betteravière de la Région de Meaux;
- Société Coopérative SDHF;
- CBM (Coopérative Betteravière de Marconnelle) ;
- Société Coopérative Betteravière d'Abbeville; and
- Société Coopérative Betteravière de Pont d'Ardres.

In addition to its partners, Tereos operates various subsidiaries which conduct marketing and sales activities in France and in particular abroad. See "Business—Marketing and Sales, Distribution—Marketing and Sales."

Accession to membership

Partners accede to membership in Union BS or Union SE (and thereby, indirectly, Tereos) for an initial period of 25 years. After the expiration of this initial period, partners may renew their membership for five-year terms.

Voting rights

Within Tereos, cooperative members receive additional votes for the purposes of weighted voting at the general meeting based on two criteria: their volume of the "collection and sale of sugar beets" activity and the volume of their "collection and sale of grains" activity. The application of the volume levels set forth in Tereos' articles of association necessarily result in 60% of votes being allocated to Union SE and 40% being allocated to Union BS for the purposes of the general meeting.

Termination of membership

If a partner seeks to terminate its membership in Union BS or Union SE, it must notify either union of this intention, and Union BS or Union SE then must notify Tereos. The supervisory board of Tereos may approve or deny this request. If Tereos or its general meeting of members approves the request to terminate membership as described above, Tereos must pay the amount of share capital represented by the departing partner's activities in the cooperative union within 10 years. In practice, Tereos usually returns the share capital amounts promptly.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We engage in related party transactions with our cooperative members in the ordinary course of our business. We purchase sugar beets and cereals from members as raw materials for our business and also sell them sugar beet seeds at preferential rates. Other than as otherwise disclosed elsewhere in the offering memorandum, we have not engaged in material transactions with affiliates during financial year 2011 and did not have such transactions outstanding as of September 30, 2011.